GOVERNMENT OF INDIA
COMMERCE AND INDUSTRY
LOK SABHA

STARRED QUESTION NO:593
ANSWERED ON:02.05.2003
CRISIS IN SILK INDUSTRY
SATYAVRAT CHATURVEDI;SUNDER LAL TIWARI

Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

:

(a) whether farmers engaged in mulberry cultivations have become bankrupt due to steep fall in prices of cocoons as a result of huge dumping and import of silk yarn from China;

(b) if so, whether Director General of Anti-Dumping and Allied Duties has initiated anti-dumping investigations on the basis of complaints received from silk industry;

(c) if so, the result thereof; and

(d) the other steps taken/being taken to protect the interest of silk growers?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (SHRI RAJIV PRATAP RUDY)

(a) to (d): A statement is laid on the Table of the House.

STATEMENT REFERRED TO IN REPLY TO PARTS (a) TO (d) OF LOK SABHA STARRED QUESTION NO. 593 FOR ANS ON 02.05.2003

(a) The Government has not received any information about farmers engaged in mulberry cultivation having become bankrupt due to steep fall in prices of cocoons as a result of huge dumping and import of silk yarn from China.

(b) & (c) At the same time, however, on the basis of a petition received from the cottage/filature/multiend silk reelers associations located in the states of Karnataka, Tamil Nadu and Andhra Pradesh, the Directorate General of Anti-Dumping and Allied Duties (DGAD) initiated anti-dumping investigation on 17.07.2002 into the import of Mulberry Raw Silk (not thrown), 2A Grade and below, originating in or exported from Peoples` Republic of China.Preliminary finding in the case was notified on 20.12.2002 recommending provisional anti-dumping duty equivalent to the difference between US $ 33.19 per kg. and the landed value of import. Provisional anti-dumping duty has been imposed by the Ministry of Finance vide notification dated 2.1.2003.

(d) The other steps taken by the Government to protect the interests of silk growers are as follows:-

(i) Central Silk Board operates Raw Material Banks and provides Margin Money Loan to the State Marketing Agencies to ensure fai price to primary farmers. Besides, the State Government Agencies such as the Karnataka Silk Marketing Board play a stabilizing role by their presence in the major markets.

(ii) In order to provide relief to farmers from falling prices and to encourage them to continue in Sericulture, some State Governments implemented a short duration Scheme during 2002-03 for providing incentive of Rs. 10/- per kg. of cocoons to farmers on cost sharing basis by the Centre and the respective State in the ratio of 50:50.

(iii) During the X plan period enhanced plan provision over the IX plan period has been made i.e Rs. 450 crores for development of Research & Technology and implementation of Central and Centrally sponsored programmes. Under the Central & Centrally sponsored programmes, Central Silk Board assists the State Governments and beneficiaries by way of grants-in-aid and technology support for quality and quantitative enhancement of production of silk.